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Robert Q's airbus







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# FleetSmart PROFILES

## ROBERT Q'S AIRBUS

*Propane Offers Fuel-Cost Savings  
for Shuttle Operator*

For Robert Q's Airbus, an airport shuttle service operating out of London, Ontario, propane is the transportation fuel of choice. Fuel-cost savings of \$26,000 per vehicle, lower maintenance costs, excellent vehicle performance and an unblemished safety record all contribute to the company's success.



### About the company

Robert Q's Airbus was founded in 1977 by Robert Smith, a former radio broadcaster who inserted a "Q" in his name to distinguish himself from another announcer with the same name. The company has since been purchased by new owners, and combined with its sister company — Robert Q's Travel — it now employs 125 full- and part-time staff.

Robert Q's Airbus was originally established to provide a shuttle service between London and the Toronto International Airport (now the Lester B. Pearson International Airport) for people who booked their holidays with Robert Q's Travel. The shuttle service was subsequently offered for general public use. It has been expanded several times, to the point where it now serves several southwestern Ontario communities, including Windsor and also offers shuttle service to the Detroit Metropolitan Airport. Robert Q's Airbus now transports more than 120 000 passengers per year.

service

# opportunity

The company's fleet consists of 29 Dodge B350 maxi-wagons, most of which can accommodate 11 passengers and their luggage (three of the vehicles can accommodate 14 passengers but no luggage); three Chrysler minivans that will hold 5 passengers and their luggage; and three new original-equipment Chrysler propane vans. With the exception of one minivan, all of the vehicles operate on propane only.

## Fuel-cost savings of \$26,000 per vehicle

The cost of fuel is one of the company's largest operating expenses. Within a year of opening for business, Robert Q's Airbus made the decision to switch to propane-only operation because propane was less expensive than gasoline and offered the range needed to travel from London to Toronto and back without refuelling. Range is important because it means the vehicles can always refuel at the company's depot in London, rather than purchasing fuel at retail stations. Because of the volume of fuel consumed by its fleet, Robert Q's Airbus is able to purchase propane from a local supplier at a discounted price, thereby avoiding the retail mark-up.

Propane conversions cost the company approximately \$3,300 per vehicle, which includes the cost of an additional fuel storage tank that increases vehicle range to about 850 kilometres. As well, the company benefits from a \$750 new vehicle sales tax rebate from the Government of Ontario for new vehicles converted to alternative fuels. Including the cost of conversion, company General Manager David Gray estimates a fuel-cost savings of approximately \$26,000 per vehicle over the three years each vehicle is typically owned by Robert Q's Airbus. Payback of the conversion cost is usually achieved in less than six months through fuel-cost savings.



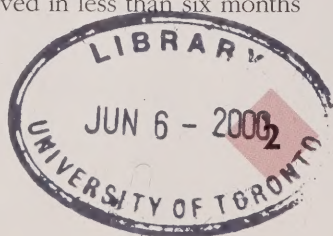
## *Reduced maintenance costs a bonus*

The company also reports additional savings in the form of reduced maintenance costs. Glenn Smith, Manager of the company's in-house maintenance shop, explains that the life of a propane engine is two to

three times longer than a gasoline engine, that spark plugs do not have to be replaced as often and that oil changes are less frequent.

Overall, the on-road performance of the propane vehicles is excellent, although a 10 per cent loss of power is not unusual.

Mr. Smith uses fleet maintenance software to keep track of when each vehicle is





scheduled for service and what parts should be replaced as part of a preventative maintenance regime. The company recognizes the importance of proper maintenance, since a vehicle that is not available for service can result in lost revenues.

The extended engine life of a propane vehicle also makes it more valuable in the resale market.

According to David Gray, Robert Q's General Manager, the company has no problem selling its used vehicles for a good price. "I have a waiting list that looks like a telephone book," he says.

Mr. Smith also notes that the company has not experienced any safety problems with the propane fuel. He credits this, in part, to the comprehensive preventative maintenance program and to the training of his service staff.

A study conducted by Robert Q's Airbus has shown that one of its vehicles running on gasoline would have a fuel consumption rate of 16.7 litres per 100 kilometres (17 miles per gallon). A similar propane vehicle uses 20.4 litres per 100 kilometres (14 miles per gallon) — but the company purchases propane for approximately \$0.25 per litre, less than half the price of gasoline, which averages \$0.55 per litre. (Note that propane has a lower energy content than gasoline, so a greater volume of fuel is needed to go the same distance.)

Vehicles in the company's fleet travel an average of 650 000 kilometres before being removed from service.

<b>Gasoline Costs:</b>	A gasoline vehicle driven 650 000 kilometres would consume 108 550 litres of gasoline. 108 550 litres of gasoline at \$0.55 per litre = \$59,702
<b>Propane Costs:</b>	A propane vehicle driven 650 000 kilometres would consume 132 600 litres of propane. 132 600 litres of propane at \$0.25 per litre = \$33,150
<b>ESTIMATED SAVINGS:</b>	\$58,702 - \$33,150 = \$26,552

A second study indicated an average cost of \$0.092 per kilometre to drive a typical company vehicle using gasoline, compared to \$0.051 per kilometre using propane. The savings of \$0.041 per kilometre, multiplied by the average total travel distance of 650 000 kilometres, results in an estimated cost savings of \$26,650.

payback

Robert Q's Airbus can boast an annual fuel-cost savings of \$200,000 across its fleet as a result of using propane rather than gasoline.

## The fuel of choice

For Robert Q's Airbus, propane will continue to be the transportation fuel of choice. The company believes that no other fuel can compete in terms of cost, range, safety and performance. In the future, it hopes to see more original-equipment propane vehicles become available from manufacturers, due to the complexity of converting the newer gasoline vehicles. As well, original-equipment vehicles would have the benefit of being fully warranted by the manufacturer.

"Not only is propane cheaper, but oil use is reduced and the engines last much longer," says Mr. Gray. "We have recorded over 850 000 kilometres on one engine. Propane is also better for the environment. It is the ideal fuel for our type of operation."



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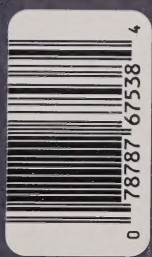
ISBN: 0-662-24901-1  
Cat. no.: M91-24/8-1996E











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